

FISCAL UPDATE

February 20, 2007

Legislative Services Agency

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STATUS OF APPROPRIATIONS BILLS



Appropriations Subcommittee Bills			
Appropriations Subcommittee		LSB/ File #	Status
Transportation Appropriations Bill		HSB 202	Passed Joint Subcommittee on February 14.
Other Appropriations Bills			
Allowable Growth Rate Bill		SF 109	Final Action on February 13.
Supplemental Appropriations for Veterans Programs Act		SF 95	Signed by Governor on February 14.

GOVERNOR SIGNS FY 2007 SUPPLEMENTAL APPROPRIATIONS FOR VETERANS PROGRAMS ACT – SF 95

Governor's Signature

The Governor signed SF 95 (FY 2007 Supplemental Appropriations for Veterans Programs Act) on February 14.

Supp. Appropriations

The Act appropriates a total of \$4.0 million from the General Fund for FY 2007, including \$2.0 million for the Veterans Home Ownership Assistance Program and \$2.0 million for the Injured Veterans Grant Program.

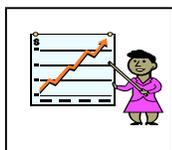
More Information

The Notes on Bills and Amendments (NOBA) for SF 95 is available on the Legislative Services Agency (LSA) web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Jennifer Acton (Ext. 17846) Sue Lerdal (Ext. 17794)

FINAL ACTION ON FY 2009 SCHOOL FOUNDATION ALLOWABLE GROWTH RATE BILL – SF 109

Allowable Growth Bill



The General Assembly passed SF 109 (FY 2009 School Foundation Allowable Growth Rate Bill) on February 13. The Bill provides for the following:

- Sets the FY 2009 school foundation allowable growth rate at 4.0%. This will increase the State and district cost per pupil by \$213, bringing the FY 2009 State cost per pupil to \$5,546.

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- With a 4.0% allowable growth rate, State Aid will total \$2.257 billion, an increase of \$107.8 million (5.0%) compared to the current estimate for FY 2008. Foundation Property Tax will total \$1.146 billion, an increase of \$28.8 million (2.6%) compared to the current estimate for FY 2008.
- The budget guarantee will total \$13.2 million (this amount is included in the total Foundation Property Tax amount), and 145 school districts will be eligible to receive the budget guarantee. Of these, 90 will receive the 101.0% budget adjustment, and 55 will receive the scaled-down budget adjustment.
- The FY 2009 Adjusted Additional Property Tax Aid will total \$18.0 million (this amount is included in the State Foundation Aid), and 69 districts will receive the property tax relief.

More Information

The NOBA (Notes on Bills and Amendments) for SF 109 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

**TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS
APPROPRIATIONS SUBCOMMITTEE PASSES FY 2008
TRANSPORTATION APPROPRIATIONS BILL – HSB 202**

Appropriations Bill



The Transportation, Infrastructure, and Capitals Appropriations Subcommittee passed HSB 202 (FY 2008 Transportation Appropriations Bill) on February 14. The Bill appropriates a total of \$314.5 million from the Primary Road and Road Use Tax Funds, an increase of \$1.6 million compared to estimated FY 2007. The Bill also appropriates 3,374.0 FTE positions, a decrease of 1.0 FTE position compared to estimated FY 2007.

Operating Budget Units



A net increase of \$2.8 million for the Operations, Administrative Services, Planning, Motor Vehicle, and Highways budget units. The changes include:

- An increase of \$2.4 million for fuel costs.
- An increase of \$261,000 for support of additional lane miles.
- An increase of \$445,000 for salt costs.
- An increase of \$225,000 for upgrading the Electronic Records Management System (ERMS).
- An increase of \$215,000 for operating expenses for the new Motor Vehicle Center in Ankeny and the Des Moines satellite site.
- A decrease of \$640,000 for elimination of the Park Fair Mall lease.
- A decrease of \$120,000 to eliminate 1.0 FTE position due to reorganization.

Workers' Compensation

A decrease of \$437,000 for workers' compensation costs.

Reporting Database

A decrease of \$500,000 for a reporting database for vehicle and driver information. This was a one-time appropriation for FY 2007.

IRP & IFTA System

An appropriation of \$1.0 million to develop a unified, customer-based International Registration Plan (IRP) and International Fuel Tax (IFT) Administration System. The total cost is \$2.0 million. The Department received \$1.0 million for this in FY 2007.

Clarinda Garage	An appropriation of \$2.3 million for construction of a new maintenance garage in Clarinda.
More Information	The NOBA (Notes on Bills and Amendments) for HSB 202 is available on the LSA web site at: http://www3.legis.state.ia.us/noba/ .
	STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

JOHNSON AND LINN COUNTIES APPROVE SCHOOL INFRASTRUCTURE LOCAL OPTION SALES TAX

SILO Tax



Voters in Johnson and Linn Counties approved a \$0.01 School Infrastructure Local Option (SILO) sales tax on February 13. Current estimates for FY 2008 indicate that Johnson County will generate about \$18.0 million and Linn County will generate about \$31.0 million from the SILO.

Future SILO Taxes Beginning on July 1, 2007, all counties in Iowa will have the SILO in place. Webster County, with a rate of \$0.005, will be the only county with a SILO rate less than \$0.01.

More Information Additional information is available from the LSA upon request.

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ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings The Administration and Regulation Appropriations Subcommittee met the week of February 12.

February 13 The Subcommittee heard presentations from Elisabeth Buck, Governor's Office, who presented the budget request for the Office. Also, Director Charles Krogmeier, Department of Management, presented the Governor's budget recommendations for the Department.

February 14 The Subcommittee heard from Director Mollie Anderson, Department of Administrative Services, on the functions of the Department and the Governor's budget recommendations for the Department.

More Information Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=32>.

STAFF CONTACTS: Douglas Wulf (Ext. 13250) Sam Leto (Ext. 16764)

AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE MEETING

Subcommittee Meetings The Agriculture and Natural Resources Appropriations Subcommittee met the week of February 12.

February 13



Ken Herring, Department of Natural Resources (DNR), discussed the Fish and Game Protection Fund and the Marine Fuel Tax Fund. Also, Ross Harrison, DNR, and Anita O'Gara, Iowa Natural Heritage Foundation,

discussed the projects and programs within the Resource Enhancement and Protection (REAP) Fund.

February 14

Sean Fitzsimmons, DNR, discussed air quality programs in the Department, and Chuck Corell, DNR, discussed the fees and programs related to National Pollutant Discharge Elimination System (NDPES) permits.

February 15



Tom Wilton and Mike McGhee, DNR, presented information on projects funded from the Lake Restoration Program. In addition, David Knoll, Department of Agriculture and Land Stewardship, provided an update on the dredging project being completed at Clear Lake. Also, Gary Lalone provided an update on the dredging project being completed at Storm Lake.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=33>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

**ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE MEETINGS**

Subcommittee Meetings

The Economic Development Appropriations Subcommittee met the week of February 12.

February 13

Mike Ott, Biowa, presented on bio-refineries. In addition, Gordon Hendrickson, Department of Cultural Affairs, presented on the Department's requests and Governor's FY 2008 budget recommendation. Also, Interim Director Mike Tramontina, Department of Economic Development (DED), presented details on the Department's requests and Governor's FY 2008 budget recommendation.

February 14

Rick Newman, Battelle Targeted Industry Groups (Bioscience Alliance, Advanced Manufacturing Council, and the Information Technology Council), presented information on the Groups' efforts and their needs. Mr. Newman introduced Gary Dickey, Targeted Industries Division, DED, for follow-up information about the incorporation of the Battelle Report into DED efforts.

Workforce Development



Interim Director Dave Neil, Department of Workforce Development, provided details on the Governor's FY 2008 budget recommendation for the Department. He indicated the Department will need an estimated \$1.6 million, in addition to the Governor's recommendations, to pay for increased salary expenses for federal positions that are anticipated to not receive increased federal funding, and another \$528,000 for seven new inspectors.

February 15

Meredith Hay, Iowa State University, introduced Thomas Sharpe, who provided an overview of the operation, function, and Governor's FY 2008 budget recommendation for the Board of Regents' economic development activities at the University. Todd Smith presented information on the National Genecular Institute, a joint research facility at the Oakdale Research Park.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=34>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETINGS**Subcommittee Meetings**

The Education Appropriations Subcommittee met the week of February 12.

February 13

Wayne Haddy, Area Education Agencies (AEAs), and Glenn Pelecky, Mississippi Bend AEA, Davenport, discussed funding for AEAs and reductions in State funding over the past several years.

February 14

Shanell Wagler, Community Empowerment, discussed the Governor's funding recommendations for Empowerment and recent developments in the Program.

Pam Pfitzenmaier, Penny Milburn, and Jeff Berger, Department of Education, discussed Shared Visions Preschools and the Department's proposal for statewide four-year-old preschool access.

February 15

Director Judy Jeffrey and Pam Pfitzenmaier, Department of Education, discussed the Student Achievement and Teacher Quality Program, as well as the Administrator Quality Program proposed in legislation before the Senate and House.

Tentative Schedule

The tentative schedule for the week of February 19 includes:

- Tuesday, February 20 – Democrats will caucus in Rm. 22; Republicans in Rm. 314.
- Wednesday, February 21 – The After School Alliance and explanation of Accelerated Career Education (ACE) Program.
- Thursday, February 22 – General budget discussion.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=35>.

STAFF CONTACT: Robin Madison (Ext. 15270) Mary Shipman (Ext. 14617)

HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE MEETINGS**Subcommittee Meetings**

The Health and Human Services Appropriations Subcommittee met the week of February 12.

February 13

The Subcommittee received information on Medicaid from Gene Gessow, Department of Human Services (DHS). In addition, Steve Ackerson and Jeff Steggerda, Iowa Health Care Association; and Dana Petrowsky, Iowa Homes and Services for the Aging; provided information on nursing facility re-basing.

February 14



The Subcommittee received information on the Healthy and Well Kids in Iowa (*hawk-i*) Program from Ann Weibers and Anita Smith, DHS. In addition, Jennifer Vermeer, DHS; Julie McMahon, Department of Public Health; and Greg Anliker, Department of Elder Affairs (DEA); provided updates on Elderly Case Management. Information on various aging services and programs was also provided by Dan Strellner, Abbe, Inc.; Deanna Clingan-Fischer, DEA; and Tonya Amos, DEA.

Dan Steen, Iowa Veterans Home; Steve Mulchay, Veterans Commission; John Derner, American Legion; and Don Roepke, Iowa Veterans Council; provided information on veterans issues.

February 15



The Subcommittee received presentations on mental health issues. Presenters included Dr. Allen Parks, DHS; Carl Smith, Mental Retardation, Mental Illness, Developmental Disabilities, and Brain Injury Commission; John Winkelman, Howard Center, Inc.; Patrick Smith, Northeast Iowa Behavioral Health; Lynn Ferrell, Polk County; Linn Adams, Hardin County; Jill Eaton, Marshall County; and Irene Blair, Webster County.

Tentative Schedule

The tentative schedule for the week of February 19 includes:

- Tuesday, February 20 – To be determined.
- Wednesday, February 21 – Substance abuse, child health, and veterans issues.
- Thursday, February 22 – Child welfare issues.

More Information

Copies of agendas, minutes, and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=37>.

STAFF CONTACT: Lisa Burk (Ext. 17942) Jess Benson (Ext. 14613)
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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings

The Justice System Appropriations Subcommittee met the week of February 12.

February 13

The Subcommittee received testimony from Judge Thomas Bower regarding the Drug Court operating in Waterloo. The Drug Court follows the judicial model, with active participation of the judge, county attorney, public defender, treatment providers, and Community-Based Corrections (CBC) staff.

February 14



The Department of Corrections (DOC) provided a summary of the corrections system and operations under current law. The Subcommittee received information from the Durrant Group on the systemic study of the Iowa corrections system. Presenters included Interim Director John Baldwin, DOC; and Michael Lewis, Judith Regina-Whiteley, and Curtis Pulitzer, Durrant Group.

February 15

The Subcommittee received presentations regarding the operation of the Iowa Law Enforcement Academy from Director Penny Westfall. Interim Director Baldwin, DOC, also provided follow-up information.

Tentative Schedule

The tentative schedule for the week of February 19 includes:

- Tuesday, February 20 – Carlos Jayne, Justice Reform Consortium.
- Wednesday, February 21 – Distribute bill draft shell and Subcommittee discussion.
- Thursday, February 22 – Subcommittee discussion.

More Information

Copies of agendas, minutes, and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=38>.

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TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings

The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met the week of February 12.

February 13

The Department of Administrative Services presented the FY 2008 recommendations for infrastructure and technology projects totaling \$106.0 million. The Department also provided an update on infrastructure projects in progress on the Capitol Complex.

February 14

The Subcommittee passed the FY 2008 Transportation Appropriations Bill that provides \$316.5 million to fund the Department of Transportation operations and capital projects.

February 15

The Board of Regents institutions presented the Governor's FY 2008 recommendations for infrastructure projects totaling \$57.9 million. In addition, the Board of Regents is requesting \$2.5 million for infrastructure and technology improvements to enable Iowa Public Radio to integrate the various public radio stations into a single statewide network. The Governor did not recommend funding for the Iowa Public Radio project.

More Information

Copies of agendas, minutes, and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=40>.

STAFF CONTACT: David Reynolds (Ext. 16934) Mary Beth Mellick (Ext. 18223)

GOVERNMENT OVERSIGHT COMMITTEE MEETINGS

Committee Meetings

The Government Oversight Committee met on February 13.

Civil Rights

Director Ralph Rosenberg, Iowa Civil Rights Commission (CRC), gave a background of the CRC and discussed issues regarding mental illness and the lack of jurisdiction the CRC has over inmates with disabilities. He discussed the need for additional funding and subpoena powers for CRC to help reduce the backlog of cases.

Inmates with Mental Illness

John Baldwin, Department of Corrections (DOC), distributed and discussed the 2006 Mental Health Report. He also discussed new and existing facilities within DOC that provide for the treatment of inmates with mental illness and substance abuse problems, and the difficulty in recruiting psychiatrists.

Motion

The Committee passed a motion to request an audit of the Polk County Internet Clearing Account, including the entire web site project. The LSA was requested to draft a letter regarding this request to the State Auditor.

Tentative Schedule



The tentative schedule for the week of February 19 includes:

- Tuesday, February 20 – Presentation by John Gillispie on the Iowa Communications Network.
- Thursday, February 15 – To be determined.

More Information

Copies of agendas, minutes, and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=41>.

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This document can be found on the LSA web site:
<http://www.legis.state.ia.us/Fiscal/fiscupdt/>